

# Long-lasting winter decreased May's room tax

By Sally J. Taylor  
Tribune Staff Writer

Tourism damage from the spring that never arrived showed up last week in the city's report on May room tax collections.

According to the monthly report compiled by the city of South Lake Tahoe, transient occupancy tax revenues for the month dropped 14.12 percent compared to May 1997, this year's first decline.

Room occupancy in the city, which has gone up and down since January, dropped 3 percent compared to a year ago for an average 31-percent occupancy in May.

The average room price also dropped from \$55.13 in 1997 to \$49.12 in May 1998.

*"The city of South Lake Tahoe is not overbuilt, it's under demolished."*

— Charlie McDermid  
Owner, Holiday Inn Express

Charlie McDermid, owner of Holiday Inn Express, a longtime Tahoe lodging owner and former officer of the South Lake Tahoe Lodging Association, summed up the impact of May 1998 on the industry as "awful, awful." He blamed much of the decline on the winter weather conditions that hung on through the month and spoiled

weekend business.

He expects June to look a lot better based on the numbers at his own property.

"April was up tremendously and June was up," he said. Although his own property showed an increase from a year ago, McDermid said the performance was "mediocre."

"Maybe with the hot weather, it will pick up."

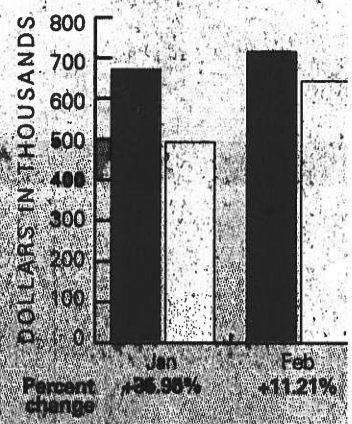
Many lodging owners expect brisk business thanks to a heat wave throughout the West. Typically, valley temperatures in the 100s drive people up the mountain to cool off.

McDermid said Holiday Inn Express is booked on weekends through Labor Day. Midweek reservations are less solid.

See May, Page 2A

## Transient occupancy

collected in the city of South Lake Tahoe



Source: Nevada Gaming Control Board

## PIPE DOWN



Don Thrift/Tahoe Tribune

Construction workers lower a pipeline near the Meyers Visitor Center that will eventually spread into Alpine County.

# Pipeline inches out of the basin

By B.H. Bose  
Tribune Staff Writer

It may be moving slower than the worst Meyers traffic jam, but the new pipeline that will export treated sewage water out of the Tahoe Basin continues to creep its way toward Christmas Valley.

The South Tahoe Public Utility District is replacing its 30-year-old pipeline that transfers recycled, treated sewage water out of the South Lake Tahoe area to Alpine County on the West Slope, and is in the midst of

*"Because of the terrain, and the environmentally sensitive terrain, the cost ranges from \$300 to \$600 per foot."*

— Dawn Forsythe  
South Tahoe Public Utility District

phase II of the four-phase project.

"We are continuing with the second phase," said Dawn Forsythe, public information officer with STPUD. "We

are not allowed to close Highway 50, so we are boring underneath the highway."

The pipeline will ultimately lead

from the STPUD wastewater treatment plant, over Luther Pass, and down to Harvey Place Reservoir in Alpine County. The treated water, which is filled with nitrates and phosphates, Forsythe said, will be used by Alpine County farmers and ranchers as fertilizer. Phase I of the project, a line from the city to Meyers, was completed in 1996. The current phase will go from the Shell station in Meyers to the Luther Pass Pump Station in Christmas Valley. It is

See Pipeline, Page 2A

# To avoid 'rate shock,' extensive utility study approved

By B.H. Bose  
Tribune Staff Writer

Big changes are expected at the start of the new millennium, and among them may be local sewage rates.

The Board of Directors of the South Tahoe Public Utility District unanimously approved hiring a firm to conduct a cost-of-service and rate study. The study, which will include an analysis of connection fees, will develop rate structure for 1999 and recommended rates for the years 2000-2003.

"Why is this important?" asked Diane Noble, STPUD customer services manager, to the board of directors. "It's for fairness, essentially for fairness. It also avoids rate shock. I have heard some businesses

getting a 40-percent increase in their wastewater prices. It is important to associate the rate with the actual costs."

Currently, the sewage rate charges are based upon "sewage units," or dischargers of waste, such as each toilet. A typical single-family home with one or two bathrooms requires three sewer units. The current charge per unit, billed quarterly each year, is \$87.92. Connection fees, which have remained unchanged since 1989, cost \$2,000. A typical single-family home with one or two bathrooms requires three units at a cost of \$6,000. This billing structure has served the district for the past 30 years.

Charging by the sewer unit does not come without its problems. Because of the connection fees, smaller home owners are hesitant to add an additional bath-

room. Putting in a third bathroom, or even an extra half-bath in an existing home or new home has a \$2,000 price tag. This has outraged many of the local builders who argue that people, not bathrooms, generate wastewater flows.

"Right now it is based on bathroom connections. But is it fair to charge a single woman with five bathrooms, with her children grown up, more than college students in a studio?" asked Dawn Forsythe, STPUD public information officer, adding that one possibility could be the installation of water meters, which currently is the case in the Midwest.

The proposals from private firms are due to the district by Aug. 17. By Sept. 17, officials with STPUD are expected make a recommendation to the board of directors.

# Tahoe-loving seniors hot on the trail

By Sam Bauman

"It's a chance to put something back into the country," said John Muir 76, of not start on the new trail before it is finished.



Raiders sign VIII  
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By Sally  
Tribune Staff Writer

The re in 1998 is to local n Interes percent f gages car the numb staying b "There almost pa 21 South too many early '80 enough b "This years."

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By Chris  
Tribune Staff Writer

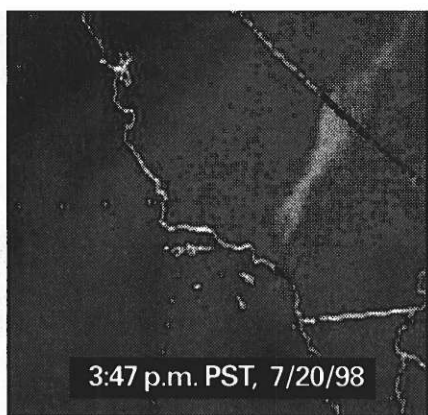
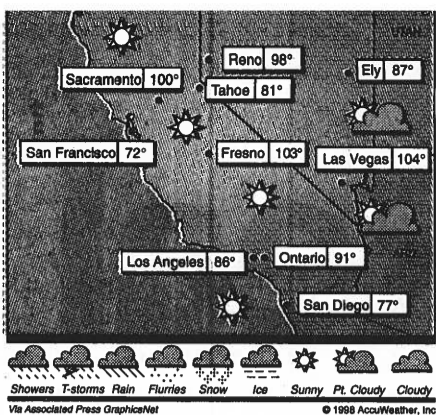
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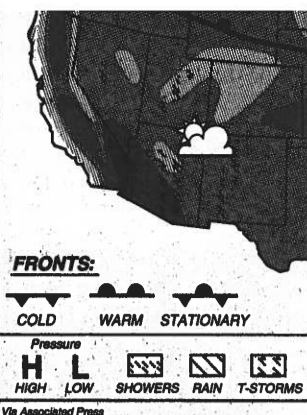
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valleys and lower 70s in the foothills and northern Sacramento valley. **Wednesday through Friday...** Coastal fog and low clouds moving locally inland night and morning hours. Some afternoon and evening clouds over the mountains and northeast Wednesday...Increasing Thursday and Friday with scattered thunderstorms developing. Fair elsewhere. Highs 60s and lower 70s coast...70s and 80s mountains and coastal valleys...90 to 102 inland valleys. Lows 50s and 60s except 40s in the high mountain valleys.

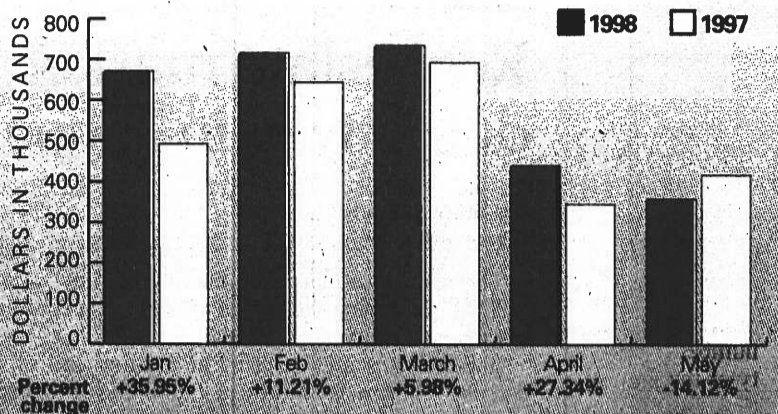
**Northern and Central Nevada**  
**Today...** Partly cloudy with a chance of afternoon and evening thunderstorms. Highs in the 90s to near 100. **Wednesday through Friday...** Continued very warm. A chance of mainly mountain thunderstorms afternoon and evening each day. Lows in the upper 40s to near 60. Highs in the 90s to near 103.

Sacramento	104 67
San Francisco	74 55
Santa Rosa	95 59
Stockton	106 69
Ukiah	103 62
Yosemite Valley	93 62
<b>Nevada Temps</b>	
Carson City	96 58
Elko	96 52
Ely	92 52
Fallón	100 64
Lovelock	102 64
Reno	98 60
Winnemucca	98 55



## Transient occupancy taxes

collected in the city of South Lake Tahoe



Source: Nevada Gaming Control Board

Tribune graphic

## May

Continued from Page 1A

Occupancy at McDermid's property averages around 60 percent for the year, he said, well above the city average. That's partly thanks to the brand-name recognition provided by the Holiday Inn Express label.

Many other motel owners struggle to reach half that percentage. Once needed as overflow for the casinos, many smaller motels have now deteriorated due to age and lack of business to pay for upgrades.

"The city of South Lake Tahoe is not overbuilt, it's under demolished," McDermid said.

He expressed the hope that small-motel owners will benefit from redevelopment or be able to convert their properties to other uses.

Blocking some conversions is a regulation that places many motels in a tourism-commercial zone that prevents the sale of commercial square footage. Currently, the lodging association, city and Tahoe Regional Planning Agency are working to change that policy.

In the meantime, many hope the heat wave continues.

## Pipeline

Continued from Page 1A

a 4.16-mile endeavor that will cost approximately \$7.15 million. Phase I was \$10.5 million, phase III is estimated at \$5 million, and the fourth phase \$3.5 million with \$1 million for pump replacements.

"Because of the terrain, and the environmentally sensitive terrain, the cost ranges from \$300 to \$600 per foot," Forsythe said.

Since no excavating or major soil disturbances are allowed in the Tahoe Basin after Oct. 15, the construction period ranges from spring to mid-October.

Next spring, the third phase will begin. A pipeline will be put into place from the wastewater treatment plant to the new 1996 lines at the city limits, and part of the way from the Luther Pass Pump Station to Luther Pass. In the year 2000, phase IV will complete the pipeline up the slope.

"There is some tough, rocky terrain and some wetlands in the area,"

Forsythe added, referring to why phase III and IV will be a little more difficult to complete. "Plus that area is in view from Highway 50, so we don't want it to look like construction is going on."

At the end of each phase, the lines will hook up with the old ones, meaning they can be used shortly after they are connected. The lines are tested with water first to make sure everything is working. The entire line, which climbs about 1,270 feet, should be in operation come October of the year 2000.

There also is the possibility that STPUD will build a hydroelectric plant to utilize the energy created by the treated water that flows down to Harvey Place Reservoir. The cost is estimated at \$10 million, but the energy generated should be enough to operate the pipeline.

"There might be a possible phase V, which is the construction of a hydroelectric plant, so we can harvest the energy, because (down the West Slope) there is 10 miles of vertical drop," Forsythe said.

## Trail

Continued from Page 1A

was happy to pay \$425 for the privilege of working here. Kids don't understand it, they think me and Janet are crazy to pay \$425 to work like this. But service is an important concept for Americans."

Tom Schirmer of Medina, N.Y., said he "lost my sole" when during a strenuous moment he put extra pressure on one foot and his boot literally exploded. "Shocked everybody," he said.

Gail Schirmer added, "This is dynamite, working in state parks like this."

And helping out on the whole project was Alicia Stuart, 7, as she helped drive a trail marker peg into the tough ground. She is the daughter

of Jay Stuart of Reno who was assisting in leading the group.

So why travel hundreds of miles and pay for the chance to sweat and strain in the wilderness? Perhaps Tom Garrey of Batavia, Ill., said it best: "You form lasting friendships, it's a nice vacation and you can look back down the trail and see what you've accomplished. I'll be back in two years to see the finished project."

That may be optimistic. There are still some 12 miles to go to complete the 150-mile loop around the lake. But with the way volunteers are continuing to pitch in, such as the women's group from the Sierra Club working on Armstrong Pass this week, it may just happen.

If you want to help it happen, contact the Rim Trail office at (702) 588-0676.

## Real

Continued from Page 1A

South Shore.

On the California side, sales are up 30 percent for the year to date, Rosner said.

In Nevada, from Stateline to Glénbrook, house sales were up 10 percent and condominium sales increased by 11 percent, according to Colon, with Century 21 Tahoe Pines Realty of Nevada.

"We're seeing more expensive properties selling much more readily than previously. There's a lot of money in this economy right now," Rosner said.

Partly driving the real estate scene, the panel said, is the long-running bull market on Wall Street that is pouring profits into the pockets of many employed in technology industries.

"The stock market has definitely played heavily in sales," said Colon.

She said on the Nevada side, 23.5 percent of condominium buyers and 30 percent of house buyers pay in cash.

About 13 percent of Rosner's buyers paid in cash, he said.

Improvements in the California economy and the trend toward "telecommuting," or working from your home, also benefit Tahoe home sales.

"Southern Californians who have been waiting to sell, have now sold and they're ready to make an investment (elsewhere)," said Blann, of Aspen Realty.

In other cases, those who can't afford to buy a home in the area where they work, such as in San Jose, buy at Tahoe and rent near their jobs.

Nationally, "Tahoe is still considered one of the best values to buy in," said Souers of Century 21 Tahoe Pines Realty.

Thanks to computers, e-mail and the Internet, many people can now live wherever they want and keep in touch with their offices via computer.

"More and more, people are working out of their homes,"

The bull market on Wall Street has helped the real estate market at Lake Tahoe

"We're replenishing the inventory almost as fast as were selling houses."

— Doug Rosner  
 Owner, Century 21 South Tahoe

Colon said, noting many buyers look specifically for Tahoe homes with office space.

"It's a great place to live," she said.

While technology may boost sales in mid- and upper-priced residences including condominiums and vacation homes, lower-priced home sales are getting help from the prevalence of first-time-buyer programs.

With the availability of buyers and sellers, houses are selling faster this year.

In Nevada, the average number of days on the market dropped from 279 for homes in 1997 to 248 in 1998. Condominiums dropped from 253 days to 227. California real estate is seeing a similar drop in the number of days from listing

to closing.

Houses with a view, that back a forest or have other special features sell within days, Rosner said.

The cost of homes has also increased and homes are selling closer to their listing price this year.

In California, homes have been selling at 95 percent of their listing price. In Nevada, condominiums have been selling at 94 percent and homes at 91 percent.

"The reason they're staying close to 95 percent is the parity of the market," Rosner said. "We're replenishing the inventory almost as fast as were selling houses."

If the first half of the year can be considered strong in the real estate market, June alone was incredible.

On the California side, 82 residents sold in June, 25 percent the sales for the first six months 1998.

"In our office, we did half of a whole year in June," Rosner said. "We've never had a June like this."

The year could get even better. Traditionally, homes sell best the early fall months as buyers speed up their search to beat the snowfall.

"We haven't even hit the meat of the selling season yet," Rosner said.

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